

How To Select your investment options

Your plan offers a wide variety of investment options to choose from. Each option offers different objectives and levels of risk. This brochure provides important information on how to select your investment options.

What's your style?

With such a wide variety of investment options, it helps to know what type of investor you are. This can help you determine what type of investments may suit your needs and your style of investing.

The lifestyle investor

A *lifestyle investor* is someone who knows his or her savings goal and selects an appropriate investment vehicle, but wants to leave the specific investment decisions, monitoring, and reallocation decisions to someone else.

You may be a lifestyle investor if you

- **have never invested in individual stocks or bonds on your own**
- **don't know a lot about investing**
- **understand investing, but don't have the time for monitoring and rebalancing investments**
- **prefer to make a one-time choice and leave the balancing of asset classes to a professional money manager**

If this sounds like you, you may want to consider investing in a *life-cycle fund*. For this type of fund the fund manager selects the allocation of investments based on a particular target date. The manager is responsible for monitoring investments in the fund and adjusting the allocation as the fund approaches a specific target retirement date.

The active investor

An *active investor* is someone who knows his or her savings goal, selects investment vehicles, and is comfortable monitoring the investment options and making rebalancing decisions as market conditions warrant or as his or her needs change over time.

You may be an active investor if you

- **are comfortable with diversified investments that combine stocks, bonds, and short-term instruments**
- **have invested in individual stocks, bonds, or mutual funds in the past**
- **understand investing and are comfortable making specific investment decisions**
- **prefer to personally control, review, and rebalance your investment portfolio**

If this sounds like you, you may want to consider actively selecting your investments. This means you would choose the individual fund options in your plan that best suit your investment goals and make any necessary reallocation decisions over time.

You may be both a lifestyle and an active investor

Your plan gives you the flexibility to choose *lifestyle* investing, *active* investing, or a combination of both. This means you can choose a number of investment options that suit different investment goals you may have.

To find out what type of investor you are, simply complete the Asset Allocation Planner. This questionnaire helps you identify a target asset allocation based on your investment goals and your tolerance for risk. It can be obtained by calling **1-800-354-7121** 8:00 A.M.–midnight ET Monday through Friday or logging on to **www.fidelity.com/atwork**.

Regardless of how you invest your contributions, always take time to review your account. You should consider making adjustments in your investment portfolio periodically as your needs change. Remember, once you choose an investment you are not locked into that choice—you can make a change virtually any time—right over the phone or through the Internet.

Keeping Track

Total return is the increase or decrease in the value of the fund's shares plus any capital gains and income the fund earns from dividends in a specific year. The total return is expressed as a percentage.

You can use total return to compare mutual funds with similar objectives.

► Share price at the end of year 1: **\$10**
Share price at the end of year 2: **\$11***

The difference of \$1 in the share price is the total return for that year.

Total return: **10%**

**Includes capital gains and dividend income per share during the year.*

What is a mutual fund?

A mutual fund combines your money with that of many people who have similar investment goals. Professional money managers use the pool of money to buy individual securities such as stocks, bonds, and short-term investments. However, rather than owning the securities directly, you and the other fund investors own shares in the fund. You make money if the fund shares grow in value or if it distributes profits to its investors.

All mutual funds have an investment objective. How the fund performs will depend on the performance of the securities it owns. A mutual fund is categorized by its investment objective and the types of securities in which it invests. Growth funds for example invest primarily in stocks, and income funds invest primarily in bonds. The TVA 401(k) Retirement Savings Plan offers you a variety of investment options from which to choose.

The mutual fund options in your plan are "no-load"

A sales load is a fee that some mutual funds charge when you buy shares of the fund. Although some of the mutual funds offered through your employer's plan normally charge sales loads to the general public, these loads have been waived for participants in your plan. Other fees and expenses, including those that apply to a continued investment in the fund, are described in the fund's current prospectus.

Objectives and strategies

When you're reviewing your investment options, start by looking at the objective. You may notice that some of the investment options have the same goal and wonder which ones you should choose. A closer look will show you that a fund's strategy, or what types of securities it invests in to seek its objective, makes a big difference. This is where knowing what type of investor you are comes into play. The descriptions in the Investment Options brochure describe the objectives and strategies for each of your investment options. This information can help you understand and compare your options in order to make the best choice for you.

For more information on any of these investment options, call Fidelity at 1-800-354-7121, virtually 24 hours a day, seven days a week. Fidelity Retirement Services Specialists are available Monday through Friday from 8:00 A.M. to midnight ET.

Need help understanding the investment options?

Check our Web site at www.fidelity.com/atwork or call this toll-free number.

1-800-354-7121

For more complete information about Fidelity mutual funds, including fees and expenses, call or write Fidelity for free prospectuses. Read them carefully before you invest or send money.

Depending on your plan and the services provided to you, your account may be subject to additional fees. For more information about the fees that may be assessed, please review your plan materials.

Unless otherwise noted, transaction requests confirmed after the close of the market, normally 4:00 P.M. ET or on weekends and holidays, will receive the next available closing prices.

The mutual funds available through the plan reserve the right to modify or withdraw the exchange privilege.